



Chesapeake Public Schools
School Administration Building
Post Office Box 16496
Chesapeake, Virginia 23328

May 21, 2009

Dear Citizens of Chesapeake:

Enclosed please find the approved 2009-2010 Operating Budget for Chesapeake Public Schools. The total approved budget is **\$397,389,076** which represents a decrease of -\$31,293,632 or -7.3% from the budget for the 2008-2009 school year. As a result of unprecedented changes in economic conditions in our world, our nation, our state, and our city, revenue projections show massive decreases. Revenue resources are as follows:

<u>Resource</u>	<u>Current 08/09</u>	<u>Approved 09/10</u>	<u>Decr/Incr</u>	<u>% Decr/Incr</u>
Federal	3,250,000	3,000,000	- 250,000	- 7.69%
State	237,699,759	217,975,109	-19,724,650	- 8.30%
General Fund	185,006,949	173,343,767	-11,663,182	- 6.30%
<u>Other Local</u>	<u>2,726,000</u>	<u>3,070,200</u>	<u>344,200</u>	<u>12.63%</u>
Total	428,682,708	397,389,076	-31,293,632	- 7.30%

Student enrollment is projected to decline 325 students, which will be the fourth straight year of enrollment decline. Notwithstanding declining enrollment and the shortfall in revenue, the school division still faces increased costs next year.

- Increases in energy and utility expenses
- Increases in medical insurance costs

The future of our school division continues to be guided by seven strategic goals. These goals provide the framework and guiding principles for adjusting our spending plan and formulating the 2009-2010 budget. The goals adopted by the School Board are as follows:

- **ensure school safety**
- **ensure rigorous educational standards**
- **broaden community involvement**
- **provide effective staff training**
- **optimize the use of technology**
- **evaluate the effectiveness and efficiency of what we do**
- **provide optimal school facilities**

With reductions of the magnitude required in the budget, we discovered early that there was no one single solution and reductions would have to come from various sources. We first made every effort to reduce costs from non-personnel related items such as out-of-town travel, association dues, adult education and personnel advertising, staff training, cost of fuel, intra-division mail service, PSAT test costs for 10th graders, tuition assistance reimbursement, and online homebound course offerings.

Potential increases in revenue sources were then identified such as increases in tuition for summer school credit bearing courses and driver's education behind-the-wheel training. The third step was to look for reductions in

personnel related expenses such as sharing a portion of the increase in medical insurance costs with employees and limiting or eliminating part-time, summer and overtime work.

The final and most painful action was identifying reductions in personnel. The budget calls for the reduction of 235 positions; 117 positions eliminated and 118 positions transferred to funding provided by the American Recovery and Reinvestment Act of 2009 (ARRA). These funds were used to save positions that otherwise would have resulted in layoffs.

While the preceding discussion provides a brief overview of the budget, it is the human factor that concerns us the most. Attracting and retaining the best professional and support staff is critical to accomplish the instructional tasks before us. Regrettably, the budget includes no funding to provide a salary increase for employees, and no funding to implement the second year of the salary study.

The alignment of a comprehensive and responsible spending plan in times of economic distress with the strategic goals of our school division was the result of many hours of work and much deliberation. Again this year, the process called for many difficult choices but the approved budget meets the challenges we face in these uncertain times and makes every effort to retain to the extent possible the high standards that have made our students successful. The budget process is evidence of our efforts to **work together to educate all of the children of all of the citizens of Chesapeake.**

Sincerely,

THE SCHOOL BOARD OF THE CITY OF CHESAPEAKE

Dr. Sheila G. Hill-Russ, Chairman
Mr. Harry A. Murphy, Vice Chairman
Mr. C. Jeff Bunn
Mrs. Barbara B. Head
Mrs. Brenda J. Johnson
Mr. James A. Leftwich, Jr.
Mr. Thomas Mercer, Sr.
Mr. Michael J. Woods